
Introduced by Senator Haynes

February 21, 2001

An act to add Section 21015.6 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 366, as introduced, Haynes. Taxation: levy and lien: innocent limited partner.

The Katz-Harris Taxpayers' Bill of Rights Act provides various protections and rights to taxpayers for purposes of the Personal Income Tax Law and the Bank and Corporation Tax Law.

This bill would provide that no levy shall be made on the principal residence of an innocent limited partner, as defined, and a lien on that property shall be released, as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 21015.6 is added to the Revenue and
2 Taxation Code, to read:
3 21015.6. (a) No levy may be made on the principal residence
4 of any innocent limited partner if the basis for that levy is the
5 fraudulent action of another partner.
6 (b) Any state tax lien, as described under Chapter 14
7 (commencing with Section 7150) or Chapter 14.5 (commencing
8 with Section 7220) of Division 7 of Title 1 of the Government
9 Code, on the principal residence of an innocent limited partner

1 shall be released upon substantiation that the owner of that
2 principal residence is an innocent limited partner.

3 (c) For purposes of this section, an “innocent limited partner”
4 means any limited partner in a partnership who did not engage in
5 any fraudulent action, and was not aware of any fraudulent action,
6 that resulted in the underpayment of any tax to which the lien
7 relates.

